

CITY OF WOONSOCKET

INVESTMENT BOARD

MINUTES OF THE MEETING OF September 11, 2015

The City of Woonsocket Investment Board met on Friday, September 11, 2015.

The following members were in attendance: Richard Lepine, Paul Bourget, and Steven Denoyelle. Ernest Boisvert had an excused absence.

Also attending was: Philip M. Gorgone, P-Solve Asset Solutions, Jamie Packer, USI, Albert Brien, City of Woonsocket, Council President, Garrett Mancieri, City of Woonsocket, Councilman, and Paul Luba, State Appointed Fiscal Advisor.

The meeting was called to order at 8:30am.

Review and Approval of Minutes

A motion was made by Paul Bourget to approve the minutes of the May 29, 2015 meeting, seconded by Steven Denoyelle. Motion carried by unanimous voice vote.

Review of Investment Activity by P-Solve Asset Solutions

As of June 30, 2015 the portfolio has a year to date performance of

0.8%. This performance compares to the total portfolio benchmark of 1.0%. The value for the lower risk portion of the portfolio was 0.2% versus the benchmark of (0.1)%. The value for the highest risk portion of the portfolio was 2.0% versus the benchmark of 2.7%.

Mr. Gorgone reported the following asset allocations as of June 30, 2015; fixed income 31%, equity and DAA 41%, and cash 28%.

Discussion and Consideration of Investment Strategies and P-Solve Recommendations

Chairman Lepine asked Mr. Gorgone if there is any reason to change our percentage of risk at this time.

Mr. Gorgone stated P-Solve is watching fundamentals, if fundamentals deteriorate P-Solve would then recommend doing something to the portfolio.

Mr. Gorgone recommended no changes be made at this time.

USI - Discussion of Actuarial Assumptions for the Police & Fire Pension Liability, and the City's Annual Recommended Contributions

Chairman Lepine requested that Ms. Packer, of USI, address the current mortality rate and discount rate in relation to fully funding the plan.

Ms. Packer stated USI is currently using the RP 2000 mortality table projected to 2010, a 7.5% investment return, and with the COLA alternating every other year between 0% and 2% and the City's Annual Required Contribution increasing by 2.4 % annually, the Fund will be fully funded in 22 years.

The Board discussed the accuracy of using a 7.5% discount rate given that the current investment return rate is less than 7.5%

Ms. Packer stated that the rate of investment return is closer to 5% and that most municipalities are using a 5% discount rate.

**USI - Discussion of Actuarial Assumptions for the Police & Fire Pension Liability, and the City's Annual Recommended Contributions
(continued)**

Ms. Packer stated the current mortality table is appropriate for this group.

Chairman Lepine requested USI, working with P-Solve, provide the Board with their recommendations regarding the mortality table and discount rate that should be assumed for the City's pension plan.

Other Business – Pension Expenses and Fund Administration

Chairman Lepine and Vice-Chairman Bourget requested the City provide the Board a copy of the letter that is submitted to Citizens to pay fees and expenses in order to keep the Board apprised of expenditures.

Chairman Lepine and Vice-Chairman Bourget suggested the City explore the possibility of Citizens assuming full administration of the Fund.

Good and Welfare

City Council President Albert Brien and Gary Boucher addressed the Board.

The motion to adjourn was made by Paul Bourget, seconded by Steven Denoyelle.

Meeting adjourned at 9:55am.